

# TRANSCRIPT

## LEGISLATIVE COUNCIL ECONOMY AND INFRASTRUCTURE COMMITTEE

### **Inquiry into the Closure of the Hazelwood and Yallourn Power Stations**

Traralgon—Wednesday, 2 March 2022

#### **MEMBERS**

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Mrs Bev McArthur

Mr Bernie Finn—Deputy Chair

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Mr Craig Ondarchie

Dr Catherine Cumming

Mr Gordon Rich-Phillips

Mr David Davis

Ms Harriet Shing

Mr David Limbrick

Ms Kaushaliya Vaghela

Ms Wendy Lovell

Ms Sheena Watt



**WITNESSES**

Mr Chris Buckingham, Chief Executive Officer, Latrobe Valley Authority; and

Ms Sara Rhodes-Ward, Regional Director, Gippsland, Regional Development Victoria.

**The CHAIR:** I declare open the Economy and Infrastructure Committee public hearing for the Inquiry into the Closure of the Hazelwood and Yallourn Power Stations. Please ensure that mobile phones have been switched to silent.

I wish to begin by acknowledging the traditional owners of the land, and I pay my respects to their elders past, present and emerging. I wish to welcome any members of the public that are here in the gallery.

My name is Enver Erdogan, and I am Chair of the committee. I would like to introduce my fellow committee members present here today: Ms Harriet Shing, Mr Rod Barton and Ms Melina Bath.

To witnesses giving evidence, all evidence taken is protected by parliamentary privilege as provided by the *Constitution Act 1975* and further subject to the provisions of the Legislative Council standing orders. Therefore any information you provide during the hearing is protected by law. However, any comment repeated outside of the hearing may not be protected. Any deliberately false evidence or misleading of the committee may be considered a contempt of Parliament.

All evidence is being recorded, and you will be provided with a transcript following today's hearings. Ultimately transcripts will be made public and put on the committee website.

We welcome your opening comments but ask that they be kept to a maximum of 5 to 10 minutes to allow plenty of time for discussion and questions with the committee. Could you please begin by stating your name and organisation for Hansard. Over to you.

**Mr BUCKINGHAM:** Christopher Cleve Buckingham, CEO, LVA.

**Ms RHODES-WARD:** And Sara Rhodes-Ward, the Regional Director for Regional Development Victoria, Gippsland.

**The CHAIR:** Thank you, Chris and Sara. It is a pleasure to have both of you here. Would you like to begin by just saying a few opening words.

**Mr BUCKINGHAM:** I would love to—thank you very much—and I appreciate being able to present. I would like to begin by acknowledging the traditional owners of the land on which we are gathered, the Gunaikurnai people. I pay my respects to elders past, present and emerging and acknowledge their significant contribution to the place that we call Gippsland.

Thank you for the opportunity to present to the committee. I commenced as CEO of Latrobe Valley in January this year, and following some initial reflections I am really pleased to be back in the region and working on home ground. I have lived in the region for 25 years and have a deep-seated love of Gippsland and the people who live here. Less than two months into the role I cannot overstate how impressed I am by the passion and the enthusiasm of the team at the LVA. They take great pride in the fact that they are Gippslanders working for Gippsland in Gippsland. Even our small team of LVA staff who are based in Melbourne clearly care deeply about the positive impact their work is having in a region that they have grown to love.

At the outset the LVA committed to a compassionate response that took into account the needs of everybody impacted by the Hazelwood power station closure, empowering and supporting them to make decisions about their future. Through the worker transition service we have facilitated and delivered a response that has supported 730 Hazelwood workers and also their families, friends and neighbours. Was it a perfect response? No, but the organisation has matured, continues to learn and is determined to deliver a stronger, more effective response as the community grapples with the successive changes to the structure of our economy. The worker transition service model has been adapted by other industry closures in the region and will form the basis of future transition support for the Yallourn workforce and others as required.

The headline numbers for the LVA in terms of economic outcomes between 2016 and 2021 are clear. We have contributed to the creation of more than 4000 jobs through varying projects and programs. We are responsible for delivering approximately \$192 million of the \$266 million Latrobe Valley support package. We have contributed to investment of more than \$1.5 billion in the Latrobe Valley to support workers, jobs and businesses and improve livability since 2016—and I should confirm that that is state government support. We have contributed to achieving an unemployment rate in the region that is currently lower than before Hazelwood closed, and the latest headline figures are that we are running at about 4.7 per cent.

It would be remiss of me not to acknowledge that these are the results of a team effort. The LVA has been successful because of the hard work by people right across the region to effect a sustainable regional recovery. This includes our partnerships with local government, industry and education providers, RDV Gippsland and other Victorian government departments. These partnerships are critical to successfully navigating the transition, which will continue for at least another 10 years.

I note the committee's interest in the working relationship between LVA and RDV Gippsland. It is early days, but I would make the following observations. Sara Rhodes-Ward and I are relatively new appointments, but we share an absolute commitment to working together for the betterment of the region. We are actively encouraging our teams to work together in a number of ways in the knowledge that we owe it to the people of Gippsland to get things done as a team. To use a netball analogy, and those of you who know me will know that I often use a rugby analogy but I am trying to be less gendered in my approach to talking about sport—

**Ms SHING:** Not that there is anything against women's rugby of course, Mr Buckingham.

**Mr BUCKINGHAM:** Oh, we love women's rugby, Ms Shing. In fact it is a source of joy that women's rugby is flourishing in this state at this point in time. So I might go back to rugby then if you do not mind. We are less interested in who scores the tries and we are more interested in how the team gets the ball across the line. As you know, and I think this is particularly appropriate in the Gippsland context, rugby is a game where you pass the ball backwards to get the ball forwards, and sometimes in this region it might look like we are going backwards but actually we are not, we are going forwards together. And we do not care who scores the tries; we just want to win the game.

Our story is not one of perfection but rather momentum. We are pushing against the tectonic plates of transition, and we are absolutely determined to ensure that we not only survive the change but we thrive. We are now facing a very different scenario compared to the one when the news of Hazelwood's closure was announced. The tone of conversations around transition in the Latrobe Valley has changed. People are thinking more deeply about what the future may look like post brown coal fired power generation with a different lens. We care about the people directly impacted by the closure of the power stations and other structural changes in the regional economy, including oil, gas and forestry. But the narrative has moved on. It is less about loss and more about where we are headed together as a region. We understand the need to manoeuvre swiftly from response to recovery to resilience building and back again, as the region requires. This is why we are deeply committed to partnerships, bringing industry, government and communities together to grow the cake rather than fighting for share.

The LVA was established with a mandate to do things differently, with an understanding that a different approach was required to make a real difference in the Latrobe Valley. We have looked globally, for example, at how works can be adapted to the Gippsland context. We have developed a unique place-based approach that gives business and community voice in the big decisions. The focus is not on maintaining the status quo or resilience merely to survive; it is about the region and its people identifying what we are good at and maximising these opportunities. Together with our partners at RDV Gippsland, we have identified the region's core strengths in advanced manufacturing, new energy, food and fibre, health and wellbeing, and tourism.

There are exciting opportunities around solar, on and offshore wind, and thermal, particularly geothermal energy, and there is a long list of projects—well over \$30 billion of investment in the pipeline. We are focused on making sure that the region's businesses and workforce are ready to support and benefit from these projects. Similarly, supporting innovation and value-adding opportunities in our established food and fibre sector will assist the producers of these fabulous rural products, benefit even more and grow new local industries and add value to products coming out of the region. Our strategic direction is informed by evidence and our community.

In closing, we are part of a long-term commitment by the Victorian government to the people of the Latrobe Valley in Gippsland, and we look forward to building on the work of the last five years, knowing that we have the people, the knowledge, the partnerships and the tools to make a difference. Thank you very much.

**The CHAIR:** Thank you for that, Chris. Ms Rhodes-Ward, would you like to say a few words also?

**Ms RHODES-WARD:** Thank you, Chair. I would like to take this opportunity. Good morning, members of the Legislative Council Economy and Infrastructure Committee, and thank you very much for the opportunity to be here and of course to support my colleague Chris Buckingham and his team at the LVA.

Before I begin I would also like to acknowledge the traditional owners of the land upon which we meet today. I pay my respects to elders past, present and emerging and acknowledge any and all Aboriginal Torres Strait Islander leaders who may be here today.

While the terms of reference for this inquiry do not explicitly discuss the work of Regional Development Victoria, it is clear that there are connections and alignment between the work of RDV and the LVA. Like any good relationship, the LVA and RDV have bonded around a shared purpose to build, strengthen and support regional economic growth. We are also aligned in the view that the Gippsland region is a place of vast potential, extraordinary natural assets and, at its core, a strong, determined and proud community.

In anticipation of appearing here today I was asked to focus on the working relationship between the Latrobe Valley Authority and Regional Development Victoria. Regional Development Victoria is the government's lead agency responsible for rural and regional economic development. In our work we form partnerships with councils, peak bodies, stakeholders, regional businesses, industries and community to build projects, initiatives and proposals which seek to stimulate, support and grow the economy. Our work is focused on supporting growth, diversification and recovery across regional priority sectors, including energy, food and fibre, tourism, transport and logistics, advanced manufacturing, health and community services. Regional Development Victoria also supports regional partnerships and Regional Development Australia Gippsland committees.

These forums bring members and industry and sector leaders together to review, reflect and consider opportunities to examine and recommend projects and initiatives which may grow the regional economy. These committees are made up of local community members with years of experience, impeccable breadth and depth of knowledge as well as broad networks into the community. The committees speak to both state and federal government, amplifying a community voice in decision-making and identifying priorities and opportunities to invest and build economic strength. While these committees directly relate and connect to RDV, the insights, their priorities and the work recommended by them are shared with the LVA to further strengthen the work that they do, and likewise the work that the LVA is doing is shared with these committees to inform their approach. Our work, much like the LVA, is focused on positive change. It is unashamedly strengths based, and we focus on the natural assets and skills and experience of our community.

The formation of the LVA has given sharp focus to the challenge of power station and mine closure and, as my colleague has noted, the LVA and the RDV teams work closely together to ensure their efforts are efficient and connected. At the heart of what we do is commitment and energy of the teams that we lead. Many of our team members have strong connections to the Gippsland region. They have for many years supported business, industry and the community. They are dedicated, experienced and relentlessly optimistic about the future of Gippsland. They are passionate advocates, devoted supporters and champions of the unique assets of our region.

The key to our working relationship is communication. Both agencies understand the expectations, and our work is finally nuanced. The hard lines that could exist to separate RDV and the LVA do not really reflect the nuanced view of our work and our partnership approach to opportunities within the region. Alignment of our work is a continuing focus for both Chris and I as the leaders, and we support our teams to develop deep understanding of the shared priorities and the opportunities to build, exchange and transfer knowledge. There is an inherent generosity in the way our staff work, and we continue to acknowledge and encourage this approach.

Mr Buckingham and I discuss our work regularly. We have teams that work on opportunities together to ensure we bring the best of our approaches to the fore, and we connect our senior leadership teams at regular intervals to both exchange information, provide input into issues and opportunities as well as identify areas for collaboration. While the LVA has been charged to lead economic transition following the closure of the

Hazelwood power station and now prepare for the closure of the Yallourn power station, we in the RDV team stand ready to support and assist wherever possible. We firmly believe that our collective efforts along with those of our community, business, industry, our government peers and stakeholders will support the delivery of positive outcomes.

Earlier this week, and I note that Member Bath was in attendance also, I had the opportunity to attend the graduation ceremony for the Gippsland Leadership Community Program, a program supported by RDV to grow local leaders. The program is fundamentally pinned by a belief that leadership exists in many pockets and places throughout our community. The program provides a framework for aspiring leaders to connect, challenge and grow, and as I sat and watched the program graduates present their projects, discuss their learning journey and reflect upon the bonds and connections they have made with each other, I was keenly aware that the potential for our region and the people within it to solve, resolve and create solutions for its own future is limitless. I was also struck by the fact that economic growth in transition is a truly whole of community collaboration.

Our collective success will not only be about the efforts of Chris and the team at the LVA and the team that I lead at RDV, it will be about how we support and create the conditions for our stakeholders, business, industry and community to thrive and drive their own outcomes. In our positions Chris and I have the fortunate opportunity to work with some incredible stakeholders, and any consideration of regional economic development and transition would not be complete without acknowledgement of the councils that we work with, GLAWAC, Food and Fibre Gippsland, Destination Gippsland, Federation University, TAFE Gippsland, the Committee for Gippsland, the regional partnerships, the RDA committees, the water corporations, the catchment management authorities, the many businesses, mentors, advocates, One Gippsland and many, many other partners that we work with. Quite simply, Chris and I represent the formal structures tasked with the responsibility of transition, but in reality we are just a very, very small subset of an army of Gippslanders working tirelessly to build a bright future for all. I thank you for the opportunity to be here today.

**The CHAIR:** Thank you for that. Thank you both for your presentation and sharing with us your collaborative work. What I might do is go around to committee members to give them an opportunity to ask some questions. Committee members, I will give everyone 10 minutes, and I will keep time. I might start off with our regional MPs, Ms Bath and then Ms Shing, and then Mr Barton and I can go next. So, Ms Bath, over to you.

**Ms BATH:** Thanks, Chair. It is nice to see you here this morning. Thank you for being here. My first question is to you, Mr Buckingham—and if I can say, briefly—what are the three key performance indicators of what success looks like for the LVA?

**Mr BUCKINGHAM:** I think I probably touched on them in my opening remarks. They sit around the level of employment within the region, the engagement of people within the workforce, our capacity to actually meet the pipeline investments coming into the region successfully and ensuring that the prosperity that is generated by state government and private investment is actually shared in an equitable way—or at least that the people of Gippsland have opportunity to share in that prosperity.

**Ms BATH:** Beautiful. Thanks very much. You went back to the employment figures, and I note you quoted some in your opening remarks. I have looked at—and it is a publicly available document—the small area labour markets unemployment rates, and this is per council, so LGA. If we look at Latrobe city being the epicentre of the effects of the closure of Hazelwood and then going on to Yallourn and the centre of the LVA itself, the September 2021 figures show that Latrobe has 8.1 per cent unemployed. In June 2021 it was 8.1 per cent. Back in September 2014 it was 7.3, and I say that in the context of other regional centres. Bendigo is currently at 4.4, Ballarat is 4.9 and Geelong is 3.6. If your mark is employment, well, we have the highest regional cities unemployment in the state. What has LVA actually achieved in terms of its employment, because we have got high unemployment in this LGA?

**Mr BUCKINGHAM:** Thank you, Melina. I come back to the point made in the opening remarks: we have contributed to the creation of 4000 jobs in the Latrobe Valley and unemployment here is lower than it was pre-Hazelwood closure. I think it is probably worth noting that small area labour markets statistics are subject to a high degree of variation, notwithstanding the fact that we recognise one of the reasons the Latrobe Valley Authority exists is that the Latrobe Valley requires the special attention of government. That is why we are

here. We will continue to work hard together with partners both in business and community to ensure that unemployment is minimised through the course of the recovery, which we are now in.

**Ms BATH:** I go to the point that the metrics at the moment are saying that it is not doing well.

**Mr BUCKINGHAM:** I would say to you that the latest statistics that I have are that the unemployment rate currently is 4.7 per cent. I note that the figures you are quoting are from—

**Ms BATH:** Would that be a Latrobe-Gippsland figure?

**Mr BUCKINGHAM:** These are the numbers that I have here in front of me and they are the Latrobe-Gippsland labour force data figures, the three-month rolling average, as of January this year.

**Ms BATH:** Which is a broader aspect than Latrobe city.

**Mr BUCKINGHAM:** I appreciate that. I would also observe that the labour market figures have changed quite substantially in the last four to five months and that we have seen considerable variability not only in unemployment but also in workforce participation through COVID. So I would be encouraging us to work from the most recent figures where possible.

**Ms BATH:** Thank you. The next question is: you claim 4000 jobs—it is on the website. Are the 500 SEA Electric jobs anticipated included in that figure?

**Mr BUCKINGHAM:** No.

**Ms BATH:** And how many of the 4000 jobs that you have cited are ongoing employment?

**Mr BUCKINGHAM:** In the context of COVID and variability all I can attest is that we have helped create 4000 jobs in the region, and my understanding is that they are ongoing. I would suggest that we look at the actual labour market participation, or rather the actual raw employment numbers, and see that the number of people working in the region has actually increased. But just to be very clear, the SEA Electric project numbers are not included in that, for obvious reasons.

**Ms BATH:** Thank you. And can you provide some documentation to this committee about the ongoing jobs—so X project created Y jobs and they are still ongoing? How can you provide that certainty to this committee? You may be able to take it on notice and provide additional information.

**Mr BUCKINGHAM:** I am happy to take it on notice, but I think it is worth also acknowledging that the labour market has changed dramatically in recent times and this idea of a lifelong job is a thing of the past. And we will see this with the significant inbound investments coming through renewable energy—\$30 billion in the next 5 to 10 years—that construction jobs are created throughout the life of that investment. The construction workers will not technically have ongoing jobs but could well be employed on an ongoing basis for 10 years by many different employers.

**Ms BATH:** Thank you. I guess my point is though—that is not really where I was heading with the question. Ultimately one of your performance indicators is your 4000 jobs, but how do we know that those 4000 people are currently receiving an income from Latrobe Valley as a result of that? I think rather than saying the markets will change, how can we be sure of that, and can you provide that information?

**Mr BUCKINGHAM:** So, Melina, I will take your invitation to take the question on notice and just acknowledge that it is a fairly complex question with a very complex answer.

**Ms BATH:** I fully appreciate that, but if it is a statement that is regularly stated, how can it be backed up with evidence? Thanks.

My next question goes to—and it is interesting, Ms Rhodes-Ward, that you spoke about—the collaboration between RDV and LVA. I am just interested to know what functions of the LVA could not be undertaken by RDV.

**Ms RHODES-WARD:** So in terms of the current remit for the LVA—I mean, Chris is probably best to speak to that. But what I would say is there has been a significant amount of work undertaken by the LVA in direct support to workers, and that is certainly that worker case management approach and transitioning those workers from Hazelwood into further work. It is not a mode of operating that is one that we undertake at RDV.

**Ms BATH:** Sure, that is right, but there are many commonalities of the work that you do. If I look at the website of the LVA:

We actively facilitate and increased investment and innovation in future growth industries.

The RDV website says RDV Gippsland drives economic development and growth. There are absolutely similarities there.

**Ms RHODES-WARD:** There are similarities, but I think the point that I was trying to make is that there are many times in the journey of a project or initiative or an industry sector where the team from the LVA will be engaged, and they will then often hand over to the RDV team for the next phase, and then it may be that the LVA team is engaged, depending on the skill and the special requirements at that particular point in time. Certainly there are some sectors where we engage in that way to make sure that there is a relatively smooth approach from the government holistically and we manage the internal passing between our rugby team—I cannot believe I am using a sporting analogy. We will pass the project or the initiative between the two of us, hopefully in a way that means that we are able to bring greater richness and depth to the task.

**Ms BATH:** Thank you. Back to you, Mr Buckingham. The significant input of the native timber industry exists in the Latrobe Valley. We have got haulage and harvest, value-adding manufacturing, fibre and processing. How can the members of that native timber industry, the workers, have confidence that you will have their best interests at heart when your personal views are quite in conflict with the industry? And I state that from a point of fact that you have clearly demonstrated through a change.org petition that you promoted that your views are quite different to the support of those native timber industry workers.

**The CHAIR:** Is this relevant to the work of the LVA?

**Ms BATH:** Well, the LVA will be providing grants into the future about future businesses. How will they be assured that you will be supportive of them and their industry?

**Ms RHODES-WARD:** Mr Chair, if I could, this is indeed one of those issues where both the LVA and RDV work together, and it is the RDV team which is actually working directly with businesses in this space. We have a team who engage with businesses with harvest and haulage, and Chris and his team are charged with supporting the community through that transition process and the development of transition plans for communities to identify through their Smart Specialisation and their strengths-based approach options and initiatives that may support the community during that transition process.

**The CHAIR:** One last question, Ms Bath.

**Ms BATH:** Thank you. I have a number of them. Has the government given an indication that the LVA will continue beyond 30 June? We know that the current funding expires. Has the government put forward any bidding for the ongoing LVA funding, and does that include additional business grant funding?

**Mr BUCKINGHAM:** Melina, the question of budget is a matter for government rather than for me as a public servant.

**Ms BATH:** Have you put forward any bid toward that as CEO of the LVA?

**Mr BUCKINGHAM:** Yes.

**Ms BATH:** Have you put forward a bid of that?

**Mr BUCKINGHAM:** Yes.

**Ms BATH:** And are we privy to that conversation? Is the community privy to that sort of level?

**Mr BUCKINGHAM:** No, not that I am aware, because it is a government process and it is a government decision.

**Ms BATH:** So you are not sure yet whether you are going to be funded ongoing in the new financial year?

**Mr BUCKINGHAM:** My understanding is the budget will be announced on 3 May, and I look forward to a positive announcement for the LVA and indeed the region. Thank you.

**The CHAIR:** Probably a question better directed to the minister. I might just go to Ms Shing on that point. 10 minutes, Ms Shing.

**Ms SHING:** Thanks, Chair. I might be able to help you out there, Ms Bath. I have been advocating as a member of government in the most strident, vocal and annoying terms I can possibly deploy for the purposes of making sure that assistance by Gippslanders for Gippslanders is part of the long-term transition. What I would like to do with the time that we have available is to talk about the differences and distinctions between what has previously been the case in the way in which regional development, investment, support, resourcing and engagement with government has taken place and the way in which things have changed as a consequence of the Latrobe Valley Authority's existence and operation.

Ms Rhodes-Ward, I note the answer that you gave earlier about RDV being one part of the overall discussion across government. And Mr Buckingham, I would appreciate it if you could perhaps go into a little bit more detail around how this very place-based initiative is actually addressing things differently as we transition government decision-making and government engagement as much as we try to transition economies and communities.

**Mr BUCKINGHAM:** Thank you, Harriet. I think the thing that I have observed about the LVA approach is that it is by Gippslanders for Gippslanders in Gippsland. I think I mentioned in my opening remarks about the importance of actually empowering business and community in place to actually be involved in decision-making and inform that decision-making. I think what the LVA is demonstrating is the ability for a government authority to help engage community in those conversations but then in turn ensure that thinking that might not have been previously exposed because of longstanding agendas within community about the way things should be are ventilated and given the opportunity for voice, if you like. We see this as a way of not only helping inspire creativity and innovation within place, within the community, and create ownership of decisions but also building the evidence base around decisions so that there is more integrity, or rather a greater likelihood that the government support for place, for regions, is actually going to have the impact as required and as needed by community.

**Ms SHING:** Excellent. Thank you very much for that. I would like to turn now to the question of the 4000 jobs to which the LVA has contributed in conjunction with RDV and government agencies and support. What is your opinion on the way in which jobs growth would or would not have occurred had the LVA not been in existence prior to its announcement and commencement and the work associated with the worker transition scheme? The reason that I am asking the question perhaps in this way is that Ms Bath has put to you that in fact the LVA and the government initiatives have not actually led to any sort of progress around tackling unemployment and that that is in fact a foregone conclusion. I would like to put it slightly differently and suggest that but for this different way of doing things we would perhaps be in rather a different situation. What are your views and positions on that? To both of you, please.

**Mr BUCKINGHAM:** I will go first, if that is okay. Look, I bring a perspective of somebody who has lived in the region for 25 years. When I arrived in Gippsland the money from the payouts from the SEC had run out. The town of Morwell was in a desperate state. We were experiencing not an unemployment rate of 8 per cent or 7 per cent or 4.7 per cent but of 17 and 18 per cent. Youth unemployment was at record levels. The community was literally on the seat of its pants, and what I observed as a new resident was a community that felt deserted, neglected and punished despite a significant contribution to the state economy over many decades.

What I see—and I made this remark in my opening statement—now is a community that is still concerned about the future, but thanks to the work of the LVA and the team-based approach that we take across government and business we have a community that is now looking forward to a point, with a degree of nervousness. I would acknowledge also that in answering this question we have some work to do around energy literacy and indeed understanding how the economy of Gippsland works. We have a role to build

confidence in this community as community leaders, and as such even as public servants we have a role to create a positive narrative that people can believe and embrace.

I think in my mind what is different now as a result of the work of the LVA is that there is time and space for the community to have a voice about the future that they want, and I do not believe that that would have been possible if it had not been for the work of the LVA—and indeed the support of government departments working side by side with us.

**Ms SHING:** Thanks, Mr Buckingham. Ms Rhodes-Ward.

**Ms RHODES-WARD:** What I will reflect upon is that I remember when the closure announcement was made and the government announced that the LVA would be created we were standing in the Morwell rose garden at the time. I was with another organisation. The fear and concern within the community was incredibly palpable. There were many, many media opportunities. I particularly remember an episode of *Insight* filmed at the art gallery—

**Ms SHING:** Yes, we all remember. Yes.

**Ms RHODES-WARD:** that was particularly raw and uncomfortable for many people, because the level of distress was just absolutely crushing at the time, and people were absolutely looking for a sign or a signal that they would be taken care of in some way, particularly those workers who really did not have a strong sense of understanding of what would be next. There was almost an aching for somebody to wrap around those workers and those community members and to provide some support and assurances that there would be a collective effort to make sure that people were shepherded through that time, were given opportunities and would in some ways be nurtured into the next phase of what that transition would look like.

As I have said, the RDV have not traditionally played in that way. In credit to my colleagues at the LVA, the worker transition scheme that was created with workers, with unions, with other partners to deploy a range of initiatives to support workers through that process, to provide training, to provide counselling, to provide career support and advice, was an extraordinary act of a government—to see distress in a community and then to respond. I think that that has been quite significant in terms of changing the sense of understanding and conversation that we have around transition and also around the sense of optimism that we have around future transitions and the ability and the history that we now have of being able to respond in different ways, evolve, craft that response based on not only the climate at the time but also the feedback of those who are in that moment, the community stakeholders and the information that we learn as we go along. I think Chris said it during his statement—that we have learned a great deal during this process. Certainly the worker transition scheme has been a really fundamental part of that learning journey. The lessons from that have been more broadly learned by not only the LVA but the RDV team.

**Ms SHING:** Thank you very much for that. I would like to turn now to Yallourn and the future and what that looks like in the context of what we now have as the longest notice period of any proposed shutdown of coal-fired power generation in Australia. That was an initiative and an effort that came about because of extensive negotiations and discussion directly with the proponent but also within government. I would like to get a sense of how the sorts of programs, initiatives, wraparound and engagement that you have both referred to in your evidence will form or indeed perhaps have already formed part of discussions with the operator and how that has translated to a focus for not just existing employees and contractors but also for the broader community that will be directly impacted by these changes and the consequent loss of jobs.

**Mr BUCKINGHAM:** I think from an LVA perspective I can confirm that we are working closely with EnergyAustralia to ensure that the workforce and their families, friends and community are supported through the transition. We are certainly going to take the learnings from the Hazelwood closure and apply them in partnership with EnergyAustralia to ensure that harm to the community is minimised and indeed opportunities for that workforce in particular to transition into new industries are made possible.

EnergyAustralia is committed to a package of up to \$10 million for transition services and support for its workforce. In consultation with EnergyAustralia the LVA and DJPR are working with EnergyAustralia to commence mapping and planning an early intervention for the workforce on site, a supply chain transition using insights from the worker transition service partnership in place prior, and we are also working with Jobs Victoria in planning and design. I think it is also worth noting that the LVA is working with DJPR and other

areas of government on planning for future use of the Yallourn site pre- and post-rehabilitation, which could include community visitor economy and renewable energy project opportunities.

**Ms SHING:** Thank you very much for that. Just perhaps 30 seconds, if I can, Ms Rhodes-Ward, on anything else that you want to add to that before I ask perhaps my very final quick question.

**Ms RHODES-WARD:** I will be very, very quick. What I would comment on is that there is this incredible sense of preparation time. Really one of the pieces of work that we have been collaborating on is the skills plan for Gippsland. I think we have seen great success in actually looking at the data and identifying what the opportunities are into the future, working with TAFE Gippsland and Federation University. We have certainly looked at the coming online of a number of health school programs in the last few years. Those programs have now been fully subscribed to. They have proven to be enormously successful and will be creating some pathways into the future. I am going to stop there.

**Ms SHING:** Thank you. Now, just finally and very, very quickly, as that long-term transition works—and we know it takes decades, from international experiences—what work does the federal government have to do in the context of commonwealth funding and engagement, given the evidence that you have given today?

**Mr BUCKINGHAM:** I think it is really important in the context of this region's future that all three levels of government work together collaboratively for the benefit of the region, and we will welcome conversations with representatives from all three levels of government to ensure that the region's transition is successful.

**Ms SHING:** Thanks, Mr Buckingham.

**Ms RHODES-WARD:** And very quickly, certainly the RDA committee, Gippsland, communicates its thoughts and insights to the federal government and has certainly been advocating to the federal government for a renewable energy future for Gippsland and certainly for initiatives such as the Star of the South. It has been advocating very much for the necessary regulation to support that project proceeding.

**Ms SHING:** Excellent. I look forward to the funding coming through as a result of that work. Thank you very much.

**The CHAIR:** Thank you very much. I might pass over to Mr Barton.

**Mr BARTON:** Thank you, Chair. And thank you, Mr Buckingham and Ms Rhodes-Ward.

**Ms RHODES-WARD:** I am terribly sorry, Chair, I do need to take my leave.

**Ms SHING:** We have got the opening of a \$40-plus million facility that we have helped to fund. So we will see you there.

**Mr BUCKINGHAM:** I will stay.

**The CHAIR:** Mr Buckingham, we might have to focus.

**Ms BATH:** This could be a first. I do not think I have ever experienced a walkout.

**The CHAIR:** Ms Rhodes-Ward, we will keep our questions on notice. If you are okay, we will contact you, because I know a couple of committee members do have a few more questions for the RDV Gippsland.

**Ms RHODES-WARD:** Absolutely.

**The CHAIR:** On that note, thank you for appearing today.

**Ms RHODES-WARD:** Thank you. Thank you for your time today.

**Mr BARTON:** Thanks, Chris. I would be one of the few people here who has been on the wrong side of a transition in an industry which has been extremely badly affected—not once, but my family has been heavily impacted by another industry. So I have a leaning towards what happens to the people, the impact to them and also what happens to the skill set. When a major car manufacturer dared to leave this country, the impact of that

was it was generally accepted that for every person that worked in the car manufacturing company there were another three outside. How does that impact here down in the valley—when we lost Hazelwood, for instance?

**Mr BUCKINGHAM:** Yes. Look, I think we have reflected on the fear and concern within the community and the effect on confidence that was there with that sudden announcement. I think, for what it is worth, this time it is different because we have learnings. We have learnt from that process and we are better placed to work together with EnergyAustralia. We are also really mindful of the recent AEMO report into the future of energy in this country, and it is signalling that brown coal fire-powered generation may well conclude by 2032. So we are in for a ride, Rod, and I think in this instance what we have is a situation where we have a dedicated authority working side by side with government to support the community. And I can only say that for mine, as a Gippslander, it is the people that are affected by transition—whether it be coal and gas, forestry, tourism, power generation—that I will be working with and have front and centre in my thinking and indeed my people's thinking as we work together with them to navigate the change.

**Mr BARTON:** Well, I hope so, because I have got many family down here.

**Mr BUCKINGHAM:** Yes. Thank you.

**Mr BARTON:** Just in terms of the skill set, certainly from the car manufacturing we lost, I personally know, engineers and car designers and things like that—moved offshore now. We have lost that skill set. Have we managed to maintain a level of skill set here to move forward? Because there are some exciting opportunities coming up. Have we got the skill set to—

**Mr BUCKINGHAM:** I think we have got work to do. The reason I say that is that many of the workers currently employed in the power industry do have transferable skills that would apply in a new energy setting, particularly around construction, but then there are specialist roles within those power stations that do not necessarily translate easily. Therefore one of the pieces of work that we are doing is engaging with Federation University and TAFE Gippsland to make sure that we are actually preparing courses and content that is going to enable that workforce to make a transition as best as possible, noting that many of them will choose not to make a transition to another job. It is a mature-age workforce. It is an ageing workforce. But our focus at the LVA has always been sitting with the individual and making sure that their needs are considered first in amongst the transition.

So in terms of how we navigate that transition and indeed is the workforce in the Latrobe Valley ready for \$30 billion worth of investment in onshore/offshore renewable energy and geothermal and the like? No, we have got work to do. And I think part of the work the LVA is doing right now is mapping out what jobs are going to be required and when and then indeed how we orientate the community towards a future that is very different to the one that we may well think we are facing right now.

**Mr BARTON:** Just in terms of what we have learned from Hazelwood, specifically as we move towards 2028, what have we learned? Some things we have managed to do well, maybe some things we have not managed as well. What are the things you have identified that we have got to improve on when we think about Yallourn?

**Mr BUCKINGHAM:** I think that the key thing here is—and appreciate I have been here for a couple months, but I have been spending a lot of time talking to stakeholders and gathering information about the way the LVA has worked. I will just very quickly reflect on what I think they got right in those very chaotic early days, and can I tell you there are stories of people in the middle of the office with diggers trying to get their office fixed while they were interviewing workers coming through the front door who were in a state of a fair degree of trauma about what was happening. They were chaotic times. I think the first thing is that we need to make sure that we have a united narrative across the region around the future of the region. So that is the first thing, because we need to build confidence. We need to build literacy. I talked about energy literacy in particular. It is easy for a community that is in a state of flux or I guess lacking confidence to embrace narratives that actually are not quite right. You can call it the rumour mill for want of a better description.

I think that one of the things that the LVA got absolutely right and we have learned from and we will make sure happens this time round is the need to make sure that casual workers, contractors, small businesses that are in the supply chain are supported as well as the workforce. Part of the conversation that we have had with EnergyAustralia is about how we make sure that people do not fall through the cracks. I think there are some

other things that have worked particularly well, including the creation of the economic growth zone reinvestment scheme, so that is removal of stamp duty and charges for businesses who are willing to employ people in the region, and the Back to Work Scheme. Even I guess knowing from the Hazelwood experience the early retirement scheme that was established with other power generators to provide opportunities for power station workers at Hazelwood to transfer into those generators. I think the initial projection of around 150 was the goal, to get 150 Hazelwood workers working in other power stations. That option is probably not going to be available to us in the same way this time around because the number of generators is obviously declining. So it is going to require us to think probably more deeply about, once again, what we are heading towards as much as what we are dealing with right in front of us—taking that longer term view around transition, knowing that we have oil and gas, forestry and brown coal all going through fairly significant changes over the next 10 years.

**Mr BARTON:** Do you think the LVA, that message of hope and a plan and to work the plan, is that reaching the community, do you think, as well as it could have or should have?

**Mr BUCKINGHAM:** I think we have got work to do, Rod. Look, if I was to describe the DNA of my team—and this might be part of the challenge the LVA has faced—they are quiet achievers. They take great—

**Mr BARTON:** It is no reflection on the team. It is just—

**Mr BUCKINGHAM:** No, and I appreciate that is not the case. But if I think about the way the LVA has worked over the last four to five years—and this is an opportunity for me to probably acknowledge Karen Cain's contribution—they were the quiet achievers. They just got on and did their job as best they could in sometimes really difficult circumstances. I think we have a role as the authority to work with partners to ensure that the narrative of the Latrobe Valley and Gippsland is more positive one. As I say that, this is not about us smiling while drowning. This is about us actually identifying evidence-based opportunities and indeed communities that are successfully navigating transition, sharing those stories and building confidence across the region.

**Mr BARTON:** Thanks, Chris. I am done.

**The CHAIR:** Thank you, Mr Barton. I have got a few questions of my own, Mr Buckingham. It was fantastic to hear about, I guess, your local connection to the region. You know, you have been here for over 25 years and how you have followed the trajectory of previous transitions in terms of the economic transition of the region that has occurred and how it is going at the moment. I was heartened to hear that the unemployment rate is down to 4.7, which is I think, from looking at the historical figures, a relatively low figure, but obviously there is still a lot of work to be done, so it is great to have you here. I have just got a few questions to you. In previous hearings we have had submissions about the discussion about the health sector in the region, in Gippsland. Do you think there are opportunities for growth there?

**Mr BUCKINGHAM:** Yes, absolutely. So the LVA, together with state government, have identified health and wellbeing as a key regional strength. Latrobe Regional Hospital is the biggest single employer in the region. The biggest single challenge they appear to face is actually about having a workforce that are able to do the work that they need. So we have a role to play, once again, working with training providers to ensure that we are taking an evidence-based approach to developing workforce but also ensuring that the region gets the investment it needs in health and wellbeing to ensure indeed the wellbeing of the community broadly.

**The CHAIR:** Thank you. We know that in March 2021 there was an announcement about the Gippsland Regional Aquatic Centre in Traralgon, and in your submission you just described it as the centrepiece of the Latrobe Valley support package. Can you tell us why this facility is significant?

**Mr BUCKINGHAM:** The regional aquatic centre is significant on a couple of fronts. One, I think probably for mine what stands out is it is about investment in social infrastructure that actually gives people in the Latrobe Valley the sense that the government cares, that the government is invested in their wellbeing. Clearly there are benefits from aquatic centres within community settings in terms of, once again, health and wellbeing and activation of community, but I think one of the things that really stood out to me and I think captured people's imagination was the fact that they are using geothermal water to actually heat the pool, which I think contributes, as I understand it, approximately \$370 000 per year in savings in terms of operational costs. But I think it also demonstrates that the Latrobe Valley is incredibly well placed to take advantage of geothermal as a natural resource. Listening to academics talking about geothermal in the context of the Latrobe Valley, it is

probably one of the most accessible places in Australia to tap into geothermal water, and I guess it is going to be, in my mind, a key strategic advantage for the region over the next 20 years or so as we encourage advanced manufacturing and food and fibre investment in the region.

**The CHAIR:** That is fantastic. Actually I did have a question about advanced manufacturing as well. Do you believe that advanced manufacturing can be successful in the Latrobe Valley?

**Mr BUCKINGHAM:** I do believe advanced manufacturing can be successful in the Latrobe Valley, and I believe it is one of those enabling factors that sits across food and fibre in particular that will give the Latrobe Valley a competitive advantage over the years to come, yes.

**The CHAIR:** Mr Barton earlier touched on a fair transition and ensuring, I guess, that the future is bright in the area. Can you just explain to us what the LVA is doing or how it is engaging with local businesses in response to the announcements by EnergyAustralia to close Yallourn in 2028 and AGL that Loy Yang A will close three years early in 2045? Can you explain to us what the LVA is doing and what preparation is going into that transition?

**Mr BUCKINGHAM:** Look, I think there are a couple of things. One is that obviously we are working closely with EnergyAustralia to make sure that no-one gets left behind in this process—I think learning from the Hazelwood experience and recognising that sometimes casualised workforces and small businesses can also get left behind, so just making sure that the support service that we provide through the worker transition service actually meets their needs and is a universal service so that anybody in the region who needs or feels the need for that service can access it and that it is an accessible service in its own right. I think that we have work to do around procurement, and GROW Gippsland is a project that the LVA has sponsored and supported over a number of years which actually encourages local small businesses to engage with bigger local businesses and indeed multinationals to ensure that they actually get the opportunity to do business and actually indeed retain dollars within the region.

**The CHAIR:** At previous hearings it was raised that the Latrobe Valley Authority has moved from the Department of Premier and Cabinet to the Department of Jobs, Precincts and Regions. Do you think this move improves or hampers the work of the LVA?

**Mr BUCKINGHAM:** I think, once again two months into the gig—you would have picked up from the way that Sara and I presented today I think there is just a terrific opportunity for a greater degree of cooperation at a regional level as a result of our alignment with DJPR and indeed RDV.

**The CHAIR:** Yes, that is right. To me it sounds quite logical to be in Jobs, Precincts and Regions, but I just wanted to hear your perspective on that. That is all. The DJPR submission talks about the Gippsland region economic development strategy. What does the strategy say about the strength of the Gippsland region and how will it inform the work of the RDV now and into the future?

**Mr BUCKINGHAM:** So we are talking about the REDS?

**The CHAIR:** Yes, the REDS.

**Mr BUCKINGHAM:** There is a really clear alignment around an evidence-based approach to economic and regional development, and indeed the regional strengths articulated in the Gippsland REDS are the same as the ones that the LVA have identified through our work over the last two or three years. My reading of it is there is a high degree of compatibility.

**The CHAIR:** Thank you for that. I notice that we have got the Gippsland trades hall council on next. There was a question we had earlier in our hearings where the CFMMEU energy division explained that they were just happy that we did have a worker transfer scheme which provides incentives to energy companies to take on redundant workers. But they also suggested that there might need to be penalties for companies that do not fulfil the agreement. What is your perspective on that?

**Mr BUCKINGHAM:** The approach that I am bringing to the LVA—and I am speaking here as a public servant so I am not going to pass comment on the union's position, but I would say to you that what this region needs more than anything else is a constructive and positive approach to regional development where people

are encouraged to work together. There is a proud history of parochialism and division in this region, and I have been a party to it. I was the president of the Moe Development Group and Sara made a reference to the Gippsland Community Leadership Program. It was not until I participated in that program that I realised there were communities right across the region that were struggling with economic transition and that actually Moe was not its own town in its own right suffering more than anybody else. Once I realised the importance of working together with other towns—this is going back to the late 1990s—such as Morwell, Traralgon and Warragul, I realised that by working together everybody benefits greatly. So what I would say to you is that the LVA will continue to encourage a positive and constructive approach to regional leadership and look for points of commonality, points of shared strength and identify strengths in each other.

**The CHAIR:** I will ask one final question, then I will pass to Ms Bath to ask a couple. I will ask one final one. Because you do have a long history in the region, how would you compare the level of support that this government has provided—the Andrews Labor government—since 2016 from the closure of Hazelwood to the period before that when the transition was run by the Liberal-National Kennett government when it privatised the SEC? It may be a tough one for a public servant.

*Members interjecting.*

**The CHAIR:** Because Chris has a long connection to the region, I thought he might know.

**Mr BUCKINGHAM:** Thank you, Chair.

**The CHAIR:** That is okay, Mr Buckingham. I would like to pass over to Ms Bath to ask a final couple of questions. We have got time for a final couple of questions.

**Ms BATH:** Thanks, Chair. Mr Buckingham, we heard from Australian Carbon Innovation, the CEO Mr Morvell and Mr Davey. There was a good and full discussion around the role of coal as a resource, not as an energy source but as a resource. There was some ongoing dialogue at our hearing and one of the quotes was this:

Where the LVA has not assisted in that process from our perspective is it has not been prepared to support those sorts of new ideas that are based on coal.

He goes on:

The other theme that we have put forward is that this is about a transition; so it cannot be about what you have spent this year and what you spend next year, it has to be about what the plan is over the next 10 or 20 years, and that is something I do not think we have seen with the LVA funding.

My question goes to: does the LVA have a position where it will not fund coal-based initiatives, or are you open to actually utilising coal as a resource?

**Mr BUCKINGHAM:** Melina, I think there are other parts of government that are better placed to support the mining industry and indeed the use of coal and alternate resources. As I understand it, it may be better directed at Earth Resources or the like. There are dedicated parts of government responsible for that part of the world. Our primary focus is on the people of Gippsland and ensuring an economic transition in that sense.

**Ms BATH:** But, Mr Buckingham, an economic transition—one of your key performance indicators you spoke about was a pipeline of new investment.

**Mr BUCKINGHAM:** Yes.

**Ms BATH:** So people need jobs, and should you not, as LVA's new CEO, be agnostic about how those jobs are created? And you will be providing grant money for those jobs. Are you ruling out the fact that ACI will be able to request grant funding for jobs and investment in these sorts of resource industries?

**Mr BUCKINGHAM:** There is a bit in that question. I would say to you that I am not ruling anything out. What I am suggesting to you is that there are other parts of government that have a greater carriage with coal and it is best directed at them.

**Ms BATH:** Okay. And my final question—thanks, Chair—is in 2019 the LVA put out a public document, a report card, and that is now some three years ago. Why haven't we seen a report card, a report to public, for the

community, and are we going to see it? I think it is very important to be transparent about the work. You say that you are quiet achievers, but the public needs transparency about the KPIs, about projects both in the three LGAs and any other projects that you have funded outside those three—Baw Baw, Wellington and Latrobe. The public deserves to have a view as to the status quo of the outputs of the LVA.

**Mr BUCKINGHAM:** Thank you, Melina. I think the most obvious and recent example of us reporting to community would be the submission that we made as part of a whole-of-government DJPR submission to this committee, which is freely available on the website and is comprehensive.

**The CHAIR:** Thank you, Mr Buckingham. Thank you, Ms Bath. On that note, it has been a pleasure to have you. I want to thank the Latrobe Valley Authority and Regional Development Victoria Gippsland for the submissions, but in particular your presentation today, Mr Buckingham. It has been a pleasure to have you.

If committee members have any questions that come to mind afterwards, because not all the committee members could join us today, are you happy for us through the secretariat to forward you those questions on notice?

**Mr BUCKINGHAM:** Absolutely. Yes. Thank you for allowing me to present today.

**The CHAIR:** Thank you. Congratulations on the role as well, and I look forward to you working for the region in the future.

**Witnesses withdrew.**